

APPROVED

Present: Charles Kimball Chair, Pat Martel, Peter Bearse, Mike Nygren, Andy Kohlhofer, Doug McElroy, Peg Pinkham, Town Administrator Heidi Carlson, Public Keith Stanton who videotaped the meeting, and Recording Secretary Kathy Arsenault

Minutes of January 2, 2008 were passed out to the Committee.

Carlson passed out summaries of the Town Budgets.

The meeting was called to order at 7:08 pm by Charles Kimball Chair.

Pinkham entered the meeting at 7:09 pm.

Kimball asked Carlson if there was a finally tally for the year. Carlson said no, but she has put in most and has forecasted some numbers. She has done a separate report that has an anticipated spent column. She also has a summary report by category with anticipated to year-end, with Selectmen's recommendation included. She has 2 separate reports, one is the condensed version for quick reference and the other (with same information in greater detail) is about 30 pages by department totals.

The Treasurer has sent Heidi email with follow up information for the Budget committee.

Kohlhofer entered the meeting at 7:10 pm.

Carlson stated that the blue sheets are draft because final numbers are not in. About 2 weeks from tonight the final year-end expenditures will be available. Bearse asked if the matrix was available yet. Carlson replied no, not yet. Carlson is concerned that it may come in too late for people to read and digest all of the information. Nygren agreed. Carlson stated that we might have to go back and fill in placeholders so that we have some totals. The Selectmen have used numbers with 3% added to fill in for those areas that were submitted without them.

Kohlhofer asked if we knew how much the Primary has cost us yet. He stated that this year we had some extra expenses, having to produce more ballots. Carlson said not yet, Bob Rydeen had to buy the paper, and the LHS memory card programming cost etc., but costs are not known yet. Carlson stated that it would be very close to what the Town Clerk had estimated. She believed that Lori had estimated about \$500. This was a state election were the state incurs some of the cost. Kohlhofer is concerned that with the turnout, the presidential election could incur higher costs. Discussion about the Primary continued.

Carlson stated that in a couple of weeks, we would have the total figures for the Primary cost. It was discussed opening earlier for polls. It may be something the Selectmen have to decide on. Carlson will get numbers for comparison.

Kimball decided to take a poll on the 3% COLA. He believes this number is too high and would like to see what the committee would recommend. Pinkham asked if anyone had gotten the numbers of the average over the last 5 years. Kimball believed that last year was 2.5% and this year was about 2.6%. He stated that most people in industry got nothing. Carlson stated that it would be very helpful to get a number because all numbers on the budget would need to be recalculated.

Kimball asked Bearse his opinion on it. Bearse stated that before he answered he would like to know would this percentage decision be across the board. Kimball stated yes across the board for COLA. Carlson stated this is not for increases; this is for the cost of living adjustment.

Kimball stated that before continuing he would like to determine if the board could come to an agreement that would affect the town budgets across the board. If the members do not agree to the 3%, he would like to determine a percentage to fill in across the town budgets. Bearse doesn't agree with the 3%, but he doesn't like the idea of no cost of living increases, he agrees to 0% on the COLA. Kohlhofer agrees to a bonus for people at the top step and 0% COLA. Nygren looked at the matrix used previously; there are 10 steps for each grade, approximately 20 cents per step, stretched out over almost 10 years. His contention is that we don't give a high enough step increase to keep our people. He thinks that if it is going to be \$2.00/hour to reach your top step, then it should be 50 cents over 4 years to that top step. Upon reaching your top step, an increase should be based on your performance evaluation. He continued that he believes the matrix is severely outdated and the 10 years to reach the top step should be reduced to 4 years, with a maximum of 5 years. Discussion continued regarding the wage matrix schedule. He believes that we should have a pay matrix to entice people to apply for jobs when they do come up and to keep them. Then anytime you get a percentage raise it should be based on performance, not cost of living.

Nygren agrees that there should be no percentage increases until they reach their top pay. Pinkham would prefer to look at the last 5 year's average, before making a fair decision. She believes that COLA keeps them even, of where they were. She agrees to 3% COLA.

Bearse asked are we using a 3% to adjust the step schedule or a necessary across-the-board increase for everybody, no matter what the department head may think. Kimball stated but that is the way it is. Carlson explained that it is important to remember that the step increase is only given to full time employees and all police personnel. She continued that this brings up other issues, because the town has 3 classifications of employees. There are town officials (whether full or part time), full-time employees and part-time employees. If the board makes a decision that is across-the-board, that would mean everyone. Nygren asked is that a Town policy or State law regarding part-timers not getting step increases. Carlson replied it has been the practice since the Town put the wage matrix into affect. She continued that no one got a step increase the year or two that it started; they adjusted the entire chart for the cost of living only. Carlson stated that uniformed police officers whether part time or full time are entitled to a step increase every year. This would come upon the completion of an evaluation. It is not just given to them, they complete the evaluation process and, if successful, they go up a step. Carlson clarified those Town employees eligible for a step increase are full time employees and uniformed police officers (part-time and full-time).

McElroy asked if Selectmen get a COLA. Carlson replied no. Martel added that there has been no matrix for them, Carlson said that is correct. Carlson named the elected positions of Town officials. There had been no wage matrix for most of these positions in previous years. Carlson explained that there have been occasions where those numbers have been adjusted or changed, which is how the discussion of how those things should be voted on came up. We have been told that a lot of these positions will be included in the new wage matrix (Town Clerk, Treasurer, and Tax Collector).

Bearse stated that he is divided because the wage matrix should be indexed so that the wages we can offer people to keep up with the cost of living. He added that the decision as to what percentage of an increase to give a certain individual should be determined by the department head, because they are familiar with that person's work. It shouldn't be an automatic increase. Kimball agreed.

Kimball stated that this is one item (the 3%) that goes all the way through the whole budget and he would still like to continue the poll to see where the committee stands. Martel doesn't agree to the COLA. She believes in the step increases, but perhaps we should decrease the length of time it takes to get to the top step. She suggested that perhaps at the top step a longevity bonus or something like it could be offered. At least there could be something in place that is fair and up-to-date.

Continued discussion about the matrix and understanding of it continued.

Martel asked if the Building Inspector was included in the matrix. Carlson said yes. Martel asked why he asked for 5%. Carlson explained that in the current matrix using the 3% COLA and 2% as a step, it comes to the 5%. Martel stated that she could not vote for the 5%. Kohlhofer stated that if wages are rising faster than revenues, you are going to have to start cutting the personnel costs. He doesn't want to see us in that situation. That is why he is skeptical about a COLA. Nygren added that is why a performance evaluation is so important. Somewhere along the line we need to satisfy the employees, but at the same time satisfy the taxpayer. He continued that we are a small town and it should be realized that the pay and the workload could not be compared to that of Derry or Manchester (for example). There is a lot more involved in the same position, the workload may even be 3 to 1. These are the lines that we have to maintain and sometimes it is very painful to say no.

Carlson stated that in theory you want to come up with a chart that may not be adjusted with COLA, might be more incentive increased between steps. Nygren said that the Selectmen and the Administrator are smart enough to realize that according to the matrix being used, if you looked at it one year at a time and the steps across it, (with no more 3%) it takes 10 years to increase \$2.00 - \$2.50, then you know it is unreasonable. You would want to condense it, come up with a figure that you can live with and your employees are reasonably happy with.

Discussion continued regarding the wage matrix. Carlson explained the reasons and the goal of the whole process, which ultimately gives a value of "x" to a position, whether it is full or part time. This led to additional discussion of job descriptions, how they are created, who creates them and their purpose.

McElroy stated that he understands what times are like, he himself hasn't seen a raise in years. He continued that it comes down to being able to afford it. As of right now, he doesn't see how we can afford to keep the COLA. He agrees to the 0% COLA.

Kimball revisited each committee member's opinion of the percentage of a COLA. McElroy 0%, Martel 0%, Kimball 0%, Kohlhofer 0%, Bearse 0%, Nygren 0% and Pinkham 3%. Majority is in favor of 0% cost of living increase, across the board.

Pinkham stated she would be in favor of doing away with the COLA, but because there is no other mechanism in this particular budget, she doesn't think it is fair. She asked what the committee is recommending is just the small percentage of a step grade rate. Kimball stated just the 3%; there is a small percentage that they get anyways in a step. Carlson clarified with the committee, that if they took out the cost of living percentage, there would be a lot of part-time employees who would get nothing at all.

Kohlhofer stated that his concern is that the town is spinning itself into bankruptcy. If we continue in this vein, we will bankrupt the town. We just can not continue to have taxes rise faster than assessments. Eventually people will not be able to afford to live here.

Discussion continued regarding property assessments and property values, and the direct impact this budget will have on taxes. Carlson stated that the town would see increased property values, perhaps not the increase as seen some years ago, but there will be increases. Martel questioned the property values/assessments and the direct impact of supporting the budget requests. Carlson noted that the town budget is pennies on the dollar of the tax rate. She also noted that in terms of wages, (if they are applying this across the board) teachers wages are all unionized and in negotiations. She added that those types of discussions have already begun at this level and that it takes far fewer people to unionize now. There are groups of people that have speculated that they may be considering going in that direction.

Nygren asked Kohlhofer if he had received the delinquency rate (Kohlhofer had previously requested) from the Tax Collector. Kohlhofer stated no. Carlson would know that number in a week or two, when she receives the end of year report.

Kimball asked for a vote on the COLA, explaining that Heidi would have to recalculate all of the numbers. This led into detailed discussions regarding the affect of the COLA, step increases with regarding to employees full-time, part-time. Martel noted the differences in some employees increases; Highway laborer at 3%, Building Inspector at 5% and Police Clerical at 5.73%. Carlson explained that some might use the current matrix which uses a 2% step, plus the 3% COLA. Kimball explained that he just wants to refer to the 3%. Carlson clarified that you are just referring to the 3%, so an employee who is full-time could still get the step. Kimball said yes. Arsenault asked how this would affect someone in her position, as a part-timer, without the COLA and who isn't eligible for the step, where would that leave her. She also asked does that completely leave her from ever being entitled to an increase, or does she just stay where she is at from here on out. Carlson said that is correct, although Kathy as Deputy Town Clerk, is different from a regular part-time employee because she is treated the same as an elected official. Carlson made it clear that the same question Kathy Arsenault asked is the same question most other part-timers will ask; "So now I can have nothing". Carlson stated yes, that this would be correct as the Budget Committee is proposing it. The committee continued some discussion regarding step increases and the affects of employee's full/part time.

Carlson asked is your recommendation to put everybody on a merit-based or evaluation-based schedule (that the Selectmen have the authority to evaluate) that would not include elected officials. After some discussion it was suggested to include the part-timers into the step increase schedule. Kohlhofer made motion to recommend a 0% COLA, and to put part-time employees on the step increase schedule (in addition to the full-time currently on the step schedule). Bearse seconded the motion. Majority voted in the affirmative with Nygren abstaining. (For the purpose of the budget, a 2% step will be used)

The committee discussed that this recommendation would be for part-time and full-time employees eligible for a step, only upon completion of a satisfactory evaluation. This does not include elected officials. There was also discussion regarding employees and considering something for those who are at the top step; and possibly receiving a longevity bonus.

Martel asked about elected officials not appearing in the matrix and being eligible for a step. Carlson stated that some might now appear in the new matrix. Carlson noted that the whole idea as to how we treat elected officials this year seems as though it is going to change. (This has been discussed many times during previous meetings) Carlson does not have anything back from the DRA as of yet. Martel noted that the part-timers would now be eligible for a step now. Carlson said yes. Martel asked why it is that Kathy is considered an elected official, where she is appointed. Carlson explained that she is treated the same as an elected official because she is appointed by one. Adding that in the event of sickness, death or reason the Town Clerk has to leave office, whoever is the Deputy would then step in as Town Clerk.

This led to continued discussion about elected officials and the possibility of their wage increases proposed in warrant articles this year. They discussed that the decision during town meeting ultimately comes down to the voters.

Pinkham would like to be sure that the Budget Committee is on their toes this year, and won't be afraid to speak to it at town meeting, so that what happened last year, doesn't happen again this year. We don't want to see loyal employees get nothing. That wasn't our intent. McElroy suggested that another way to look at this instead of 0% would be to have a maximum raise rate of up to 3%. This would allow the part-timers to stay in it for increases and we wouldn't have people asking us for 5% or 5.7%.

4130 - Executive

Kimball began with the Town Clerk and the Deputy Town Clerk. Kohlhofer stated that the Town Clerk figured it at 2.5 plus 3%. It was discussed that the Town Clerk was not on the old matrix, but could be on the new one. \$35,700 was requested by the Town Clerk. Elected officials and separate warrant articles were discussed again, and the Budget Committee needs to put some sort of a figure in for the wages at this point. Carlson stated that it is necessary to wait for the DRA to come back with something in writing before decision on warrant articles can be made. The public budget hearing would be the deadline for warrant articles. If something is not discussed at the public budget hearing, it does not go on the warrant, nor is it discussed at town meeting. We would need to know no later than 4:00pm, that day.

The request for the Deputy Town Clerk is for 30 hours (up from 25 in 2007) this year. The Selectmen have only recommended a 25-hour workweek.

Kohlhofer noted that since we decided to go with 0% COLA he makes a motion to recommend \$33,681. Some discussion about the wages and what was proposed last year was discussed. Pinkham seconded Kohlhofer's motion to open it up for discussion. She reminded that what happened last year was not our intent. Pinkham would like to meet the Selectmen's recommendation. Martel would like to see it at \$34,700, as we have just decided not to have raises and last year the Budget Committee recommended \$34,700. Martel made motion to amend the motion to \$34,700. Kohlhofer seconded the motion. Majority voted in the affirmative.

Kimball moved on to the Deputy Town Clerk. Pinkham stated that first we have to decide if we agree to the extra 5 hours or not. Kimball stated that the Town Clerk stated that this was due to the extra elections this year. Nygren stated that he asked this of the Town Clerk, and if we gave her the extra 5 for this year, would she give them back next year and the Town Clerk said no. Carlson stated that there is more to it than that. Carlson read aloud an email (from the Town Clerk) with follow-up information providing additional reasons as to why she is requesting the increase in hours for the Deputy. Discussion continued regarding the 5 extra hours. Kohlhofer suggested leaving the Deputy at 25 hours/week, but including additional money so that when it is needed for additional coverage, the money is there. Nygren added that it is understood that occasionally there would be a need for increased coverage during elections, training, etc., but not on a weekly basis. Nygren made motion to accept the Selectmen's recommendation of \$17,186. Kohlhofer seconded the motion. Majority voted in the affirmative.

Kohlhofer moved for a recess at 8:30pm. McElroy seconded the motion.

The meeting was returned to session at 8:40 pm, by Kimball.

It was discussed if anyone had any changes in the columns. Bearse stated that in calculating the budget, the increase is misleading as budget to budget instead of year-to-date. Carlson explained that this is what sets the tax rate, appropriation to appropriation. Bearse stated that it would help to have the increase relative to year-end 07 and the percentage change, it is just a suggestion. Carlson stated that in doing that you would then have to refer back to your notes to see what was over spent and/or underspent. Bearse stated that it would be more meaningful if the budgeted amount was to the total year-end spent of 07 to compare to the 08 appropriation. Pinkham questioned; this doesn't reflect it all. Carlson said it is an estimate. Pinkham stated are we closer to the date for having those numbers? Carlson said yes, we are getting closer. Kohlhofer said I think it is a pretty good budget, outside of the wages, I make a motion to accept the Selectmen's recommendation, excluding 15 (wage line) and the two we have already voted on (45 and 46). Pinkham seconded the motion. Majority voted in the affirmative.

4140 – Election and Registration

Supervisors of the Checklist - Carlson stated that the Supervisors wages are not based on 3%. The number is higher than the 3% to bring them up to what is comparable. Nygren asked the estimated number of hours for Supervisors. Carlson said there is at least one session per month, and more elections this year. This is budgeted for \$10/hour. Martel stated that last year they were at \$8.75/ hour. Nygren added and now they are at \$10/hour. Carlson stated that she did not prepare this budget. They do about 125 hours each. McElroy added that they have broken down their hours in their summary. Martel stated that it is 385 hours at \$10/hour. Martel suggested we should take the 2% for the \$8.75. Carlson added that they are elected officials. Martel made a motion for 2% on the \$8.75 for the Supervisors of the Checklist or a total wage line of \$3450. McElroy seconded the motion. Majority voted in the affirmative.

Ballot Clerks/Moderator - Received a daily stipend of \$95.00/day. Kohlhofer asked what it is that they do, and he thought that we used to have volunteers that did that. Carlson briefly discussed the duties of the two positions. She continued that there is an increase in the stipend for Election Day to \$110/day. Carlson explained that there are some elections that consist of at least a 12-hour day, sometimes 14-16 hour days. Martel noted that the \$110/day comes out to the 12 hours, which is comparable to that of the Supervisors. Kohlhofer made a motion to accept the stipend of the Ballot Clerks/Moderator at \$110/day. Pinkham seconded the motion. Majority voted in the affirmative.

4150 – Treasurer

Carlson passed out additional documentation provided by the Treasurer. The Treasurer's salary shows an increase of \$1500, which the Selectmen recommended. Pinkham asked how many hours a week she works. Carlson replied that the Treasurer says she works 25 hours per week. McElroy stated that with elected officials there are only a couple that make money at what they do. Kohlhofer said I have concerns about time management. Kimball asked is there an increase in salary. Carlson said yes, a \$1500 increase. Kohlhofer mentioned an idea that Mike had stated previously; wondering about level funding her salary, but purchase a computer for the town, to be used by the Treasurer. Carlson stated that decision would be up to the Selectmen. Martel wondered if there was a problem with town property off site. Nygren noted that the teacher's take their laptops home. Pinkham stated that for \$665 we could get a really good computer. She continued that we could give her an incremental raise and give her \$500 for a new computer. Carlson added that the \$450 is in there from what you have given her already. She also has the memory stick that the town purchased for her, to back up on. Kohlhofer stated that with her own computer she is not going to be able to upgrade her quicken software. Bearse stated let's budget for a new computer, and get her one. Pinkham stated that she doesn't think \$450 is enough, and she would like to see that at \$750. Pinkham said I can get you one (if this doesn't include software) and a free security license for about \$700. Pinkham made motion to amend the \$450 line to \$750. Bearse seconded the motion.

Kohlhofer motioned to reduce the salary line to \$5700. Nygren stated that \$5200/year or \$100 a week is more than adequate. Pinkham seconded the motion for discussion of the salary line. Martel noted that if we said no raises for everybody, or the Deputy Town Clerk who got none, then this isn't fair. Nygren asked when it was last increased. Carlson replied the increases have been minor. The stipend was \$4200 the year before, and about \$3700 before that. Pinkham asked have the hours increased that much. Carlson said I don't believe they have, although there is some additional work. Bearse asked should we vote. Pinkham stated that in looking at what other people have, let's split the difference to \$5145, and asked are people comfortable with that. Martel noted that this is would still be 15%. Carlson added that this is a position that would be on the wage matrix study. Martel suggested we leave it at 2% and next year compare it with the wage matrix, amending the number to \$4600. Bearse stated he would like to amend it to \$5500. Kohlhofer stated he would not second it. Martel made motion to amend the salary line to \$4600. Kohlhofer seconded the motion. Majority voted in favor of the amendment with Bearse abstaining.

Martel motioned to accept the \$4600 salary line. Nygren seconded the motion. Majority voted in the affirmative with Barse abstaining.

Kohlhofer moved to accept the recommendation of 4150 with the amendments in the equipment and salary lines. Pinkham seconded the motion. Majority voted in the affirmative.

Martel motioned to recommend the total of \$43850 for 4150. Nygren seconded the motion. Majority voted in the affirmative.

4152 – Reappraisal of Property

Pinkham motioned to accept the Selectmen's recommendation of \$48,920. Nygren seconded the motion. Majority voted in the affirmative.

4153 - Judicial and Legal

Pinkham noted that it seems we are over appropriating on average about \$1,000/year. Carlson stated that she could combine the two lines, but a total of \$15000 is needed to cover town legal services. Kimball asked if we have anything pending right now. Carlson replied that there is always something pending. Pinkham motioned to amend the total of 4153 to \$14000. Kohlhofer seconded the motion. Kimball motioned to accept 4153 as amended (\$14000). Pinkham seconded the motion. Majority voted in the affirmative.

4155 - Personnel Administration

After a brief discussion regarding the recalculating of numbers, due to the decisions in increases made earlier, it was suggested to table this item. McElroy motioned to table 4155. Kohlhofer seconded the motion. Majority voted in the affirmative.

4191 - Planning & Zoning

Figures will also have to be readjusted due to the changes. Kohlhofer stated that the only thing that stands out is that the postage never comes close to spending \$2000. Nygren added that the last two years has been about \$1600. Kohlhofer made a motion to amend the postage line to \$2000. McElroy seconded the motion. Majority voted in the affirmative. Barse motioned to amend profession services to \$3500. Pinkham seconded the motion. Majority voted in the affirmative. Kohlhofer motioned to amend the advertising line to \$3000. Pinkham seconded the motion. Majority voted in the affirmative. After brief discussion about training & conferences, Kohlhofer motioned to amend this line to \$750. Pinkham seconded the motion. Majority voted in the affirmative.

It was determined that for the sake of recalculating, tonight a 2% increase would be used for the salary line; amending the line to \$29784. Kohlhofer motioned to amend the salary line to \$29784. Martel seconded the motion. Majority voted in the affirmative. This made the new bottom line \$54134. McElroy motioned to accept the new bottom line of \$54134. Kohlhofer seconded the motion. Majority voted in the affirmative.

Kimball moved on to acceptance of previous meeting minutes, which had been tabled. He began with Dec. 12. Committee members reviewed their copies of the minutes.

During this time Pinkham handed Carlson a copy of the Collective Bargaining Agreement and asked her to make copies for the Budget Committee. Carlson left the meeting to do so. Pinkham stated that Annmarie Scribner had sent a letter to Sanborn regarding the \$86000 believed to be an overcharge for tuition. We are still waiting to hear back from Sanborn.

Kimball referred the committee back to minutes of the Dec. 12 meeting. McElroy motioned to accept the minutes of Dec.12, 2007. Pinkham seconded the motion. Majority voted in the affirmative.

After minor discussion about the Dec. 19 meeting minutes, McElroy motioned to accept the minutes as amended. Kohlhofer seconded the motion. Majority voted in the affirmative.

Bearse asked if the school is also locked in on the oil and gas prices. Pinkham replied yes, we are locked in.

Carlson returned to the meeting while copies were being collated. She wanted to discuss with the committee the lighting unit the Fire Dept. had hoped to purchase, and is now considering another option. The Dept. has found a used lighting unit for \$5900. (Original discussion had been new at \$12000-\$14000). Charles Kimball made a donation of \$2300 to the Fire Dept. This leaves \$3521 remaining to purchase the unit. The Dept. is considering using excess 07 funds to do so. Martel asked would they buy it with this year's money. Carlson replied yes, along with Kimball's donation. A brief discussion regarding lighting units and generators continued.

Bearse left the meeting at 9:43 pm.

Carlson passed out the School District's information from Pinkham for committee members to take home and review.

Pinkham motioned to adjourn the meeting. Martel seconded the motion. Majority voted in the affirmative. The meeting adjourned at 9:45pm.

Respectfully submitted,

Kathy Arsenault
Recording Secretary